Uniform Housing Tax

227. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the National Draft Housing Policy has suggested a uniform housing tax for residential units;

(b) whether the Policy also recommended for exempting rental income from the income tax;

(c) if so, the details thereof;

(d) what are the other major recommendations made by the Policy; and

(e) what action Government have contemplated on those recommendations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) The Cabinet Note on the draft National Urban Housing & Habitat Policy, 2005 has been circulated by the Ministry of Urban Employment & Poverty Alleviation, to various Departments for eliciting their views/suggestions. The drafts Policy will be formalized after approval of the Cabinet Note by the Union Cabinet.

Splitting of fixed deposits for avoiding tax

228. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that anti-tax evasion measures envisaged in Budget 2005-06 to track those who split fixed deposits to avoid paying tax have not worked as anticipated;

(b) if so, the reasons therefor;

(c) whether Government are re-working on new set of rules; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) No, Sir. The anti-tax evasion measures introduced in the Budget 2005-06 to track those who split fixed deposits to avoid paying tax have come into force from the 1st June, 2005. Thereafter, the relevant rules and forms have been notified requiring furnishing of Quarterly Returns giving therein the particulars of payment

of interest on deposits on which no tax is required to be deducted. As these measures are new, the date for furnishing of Quarterly Returns for the first three quarters in the Financial Year 2005-06 has been extended upto 30th April, 2006. Meanwhile, the Government is working out the modalities of collecting, processing and collating the information to be received through such Quarterly Returns. As the Quarterly Returns are yet to be received, it is too early to say that the measures have not worked as anticipated.

World Development Report 2006

†229. SHRI PYARELAL KHANDELWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of World Development Report 2006 of the World Bank stating that farmers in India have to pay more interest than the rich persons;

(b) whether it is a fact that while loan is available at six per cent interest rate in cities for purchasing a car, however several banks charge 15 per cent interest for the loan given to the farmers; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Sir, the World Development Report 2006 of the World Bank states that in rural sector, the rich access most of the credit and pay relatively low rates. The rich in rural sector may even include rich farmers. However, it has been the continuous endeavour of the Government to bring down rates of interest on agricultural loans. Though interest rates on loans given by the banks are deregulated, for providing cheap credit to the farmers, all the public sector banks have been advised to reduce their rate to a single digit of not more than 9 per cent per annum on crop loans upto a ceiling of Rs. 50,000.

Implementation of Vaidyanathan Panel Report

230. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

† Original notice of the question was received in Hindi.